


**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

<b>MINE NAME:</b> Gladstone Toll Mill	<b>MINE/PROSPECTING ID#:</b> M-2021-007	<b>MINERAL:</b> Silver and Gold	<b>COUNTY:</b> Clear Creek
<b>INSPECTION TYPE:</b> Monitoring	<b>WEATHER:</b> Cloudy, snow on ground	<b>INSP. DATE:</b> November 1, 2024	<b>INSP. TIME:</b> 09:30
<b>OPERATOR:</b> Salisbury Gladstone LLC	<b>OPERATOR REPRESENTATIVE:</b> Jeff Carter	<b>TYPE OF OPERATION:</b> 110d - Designated Limited Impact	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$10,500.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>INSPECTOR(S):</b> Nikie Gagnon	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> January 11, 2025	

**GENERAL INSPECTION TOPICS**

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

## **OBSERVATIONS**

The Gladstone Toll Mill was inspected by Nikie Gagnon with the Colorado Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. Jeff Carter representing Salisbury Gladstone LLC accompanied the Division during the inspection.

The Gladstone Toll Mill is a 2.1-acre mill site located in Clear Creek County. The mill property is 1.5 miles west of Idaho Springs on the south side of I-70, on Stanley Road. The approved mine plan allows for the construction and operation of a ball mill on the Salisbury Gladstone, LLC property. The post mining land use will be industrial/commercial consistent with adjoining properties within the industrial and commercial business district.

### **Signs and Markers:**

The mine identification sign was posted at the site as required by Rule 3.1.12. The affected area boundaries were clearly marked by t-posts around the perimeter.

### **Gen. Compliance With Mine Plan:**

The site plan consists of a metal mill building, feedstock stockpile pad, sand stockpile pad, settling ponds, and an interior road. The mill is currently under construction and not operational. Concrete pads and barrier walls for the mill have been poured on the west side of the permit area. The Division observed a loader and skid-steer on site.

Numerous mill components are stored around the site for future installation, including with two large generators, a ball mill, crushing and milling circuit equipment, and various tanks. Several 55-gallon drums and 5-gallon buckets were also observed in the mill area. The drums were empty and the buckets contained dirt from the site and utilized to hold down tarps on the floor of the plant. A torn and damaged canopy tent was observed. The Division recommends that the operator clean up the trash around the site to avoid offsite impacts from the construction operation.

On the east side of the permit area, three concrete settling ponds for the process water were constructed in 2021. A wood building surrounds these ponds. The Division observed the 8-foot fence constructed between the settling pond area and the adjacent property. A large ball mill and dewatering screws sit near the entrance to the site. A conveyor was observed adjacent to the road within the permit area. These components will be installed once the plant building is completed.

Heavy metal balls in bags were observed next to the ball mill. The bags are starting to tear and wear due to weathering. The Division discussed with the operator the need to ensure the metal balls are contained and do not roll off site into the adjacent road.

The site is unorganized with a lot of equipment and parts laying around and the construction is moving slowly. However, no problems were observed other than cleaning up some trash, which the Division discussed with the operator. The Operator stated they are working to get the mill up and running, however, he is unsure when it will be complete.

Note: Once the mill is operational, no byproduct may be stored on site. The Operator is required to follow the attached Mill Agreement Process which involves determining the chemical composition of feedstock, concentrate and byproduct under the terms of the Geochemical Analysis Agreement. Depending on the results of the testing, Gladstone will decide whether to enter into a Toll Milling Agreement and determine where the byproduct will be disposed of and provide this information to the Division.

Financial Warranty:

The Division currently holds a financial warranty in the amount of \$10,500. The financial warranty was reviewed as a part of the inspection and the Division has determined the bond is adequate.

This concludes the inspection report. A subset of the photos taken during the inspection are included below. Please contact Nikie Gagnon via phone at 720-527-1640 or email at [nikie.gagnon@state.co.us](mailto:nikie.gagnon@state.co.us) if you have any questions regarding this report.

## PHOTOGRAPHS



Photo 1: Looking at concrete walls poured for the sand storage bin on the west side of the permit area. Components for the milling circuit stored adjacent to the storage area.



Photo 2: Looking at the walls poured around the plant area. A large tank for the process water system is placed here. A connex box for construction tools and equipment storage was observed.





Photo 3: Looking east across the concrete pad where the metal plant will be constructed.



Photo 4: Looking at generators in the future plant area.





Photo 5: Looking at area adjacent to the plant where future stockpile storage bill is being constructed.



Photo 6: Empty 50 gallon drums stored in the future plant area.





Photo 7: Tarps and a damaged canopy along with 5 gallon buckets of sand observed in the future plant area.



Photo 8: Looking east towards the entrance to the site. Large dewatering screws and ball mill are sitting in front of the settling pond building (noted by arrow).





Photo 9: Looking at settling ponds inside wood building under construction on the east side of the permit area.



Photo 10: Looking west towards the entrance at ball mill and dewatering screws.





Photo 11: Looking at bags of metal balls for the mill.



Photo 12: Looking west at access on the west side of the permit area.

**Inspection Contact Address**

Jeff Carter  
Salisbury Gladstone LLC  
6999 S Columbine Road  
Evergreen, CO 80439

*Enclosure:* Mill Agreement Process Letter

CC: Jared Ebert, Senior EPS, DRMS





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719-275-8951

September 27, 2021

Peter Hays

Division of Reclamation Mining and Safety

1313 Sherman Street, Room 213

Denver, CO 80203

RE: M-2021-007 Salisbury Gladstone LLC, Gladstone Toll Mill  
Mill agreements process

Dear Mr. Hays,

Gladstone secured the services of attorney Mr. Roger Theis of Morris, Laing, Evans, Brock & Kennedy to draft the mill agreements. Feedstock is transported to the mill only after the following process is completed and all tests results and permits are provided to Gladstone.

1. Gladstone will first determine the chemical composition of the feedstock, concentrate, and byproduct under the terms of the Geochemical Analysis Agreement.
2. Depending on the test results, Gladstone will decide whether or not to enter into a Toll Milling Agreement. The test results may determine that Gladstone doesn't want to have anything to do with processing the feedstock, and that will be the end. It is also possible that the concentrate characterization indicates to the Feedstock owner that it is not economically viable for processing.
3. If the test results show that the byproduct will not qualify for a BUD, then under section 5 of the Toll Milling Agreement the byproduct will be disposed of at a disposal site agreed to by both parties in the Term Sheet, at the customer's expense.
4. If the test results show that the byproduct should qualify for a BUD, then Gladstone can enter into the Byproduct Purchase Agreement at the time it enters into the Toll Milling Agreement. The Byproduct Purchase Agreement requires Gladstone to apply for a BUD at the customer's expense. If Gladstone ultimately gets a BUD, then it will purchase the byproduct and can resell it or use it as allowed by the BUD. If Gladstone ultimately does not get a BUD, then Gladstone may nullify the Byproduct Purchase Agreement, the assignment of the byproduct to Gladstone is null and void, and the byproduct gets disposed of at the disposal site shown in the Term Sheet of the Toll Milling Agreement.

The Toll Milling Agreement may be executed after Condition 3 or Condition 4 above. Condition 3 requires that the Customer retain ownership of the Byproduct and dispose of it at the disposal site agreed to in the Toll Milling Agreement with appropriate handling, chain of custody and transportation at the Customer's expense. Condition 4 is the objective and purpose of the mill where the Feedstock becomes an economic benefit as construction material.

In addition, as presented in the Mill Plan, feedstock material will be geochemically characterized every 20K ton in order to detect geochemical changes, should they occur, during the duration of feedstock milling.

Please feel free to contact me directly with any further questions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Angela M. Bellantoni', is written over the typed name.

Angela M. Bellantoni Ph.D.

Cc: Jeff Carter, Salisbury Gladstone LLC